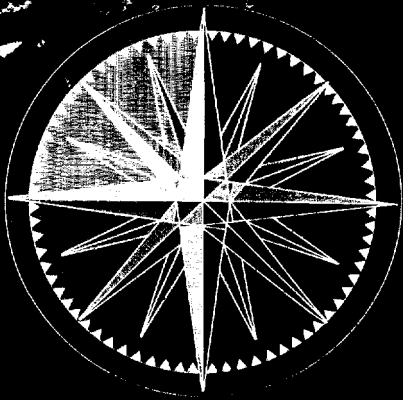


28 June 1963

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WEEKLY SUMMARY

OFFICE OF CURRENT INTELLIGENCE

CENTRAL INTELLIGENCE AGENCY

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(Information as of 1200 EDT, 27 June 1963)

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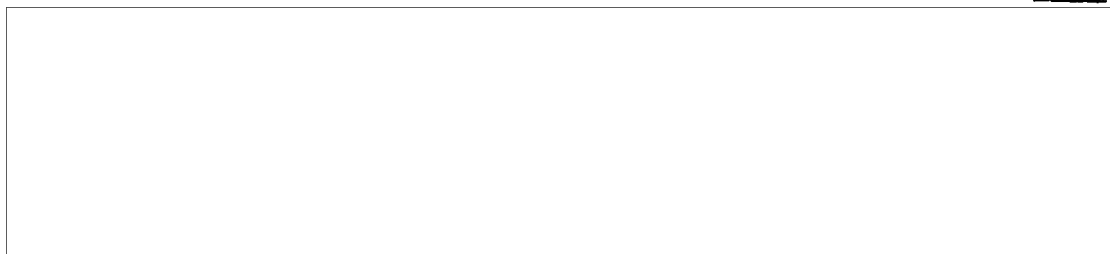
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- FIGHTING GOES ON IN YEMEN** 10
 While the UN observer mission establishes itself, the Egyptians are trying to meet with new air attacks another burst of activity by the royalists.
- MILITARY ACTIVITY IN LAOS** 11
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GREEK POLITICS REMAIN CONFUSED

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Premier Pipinelis has obtained a vote of confidence, but he has not received the support he hoped for from the center opposition party.

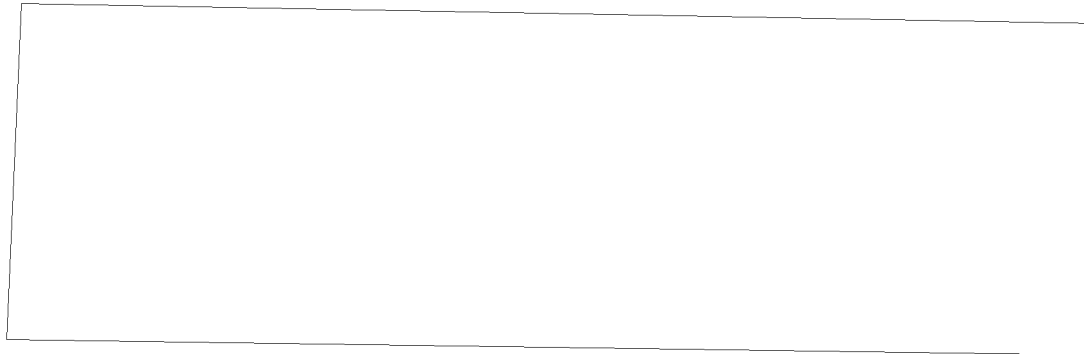
WESTERN HEMISPHERE

NEAR CHAOS IN BRITISH GUIANA

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Although London seems to be searching for a way to restore peace and settle the 70-day-old strike, it is still thinking in terms short of suspending the constitution and resuming direct control.

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Cuba

HAVANA FORMALLY PROTESTS RECONNAISSANCE OVERFLIGHTS

In a note delivered to US authorities on 24 June, the Castro regime threatened to shoot down any US aircraft flying low-level photographic reconnaissance missions over Cuba, and implied similar action against high-altitude overflights as soon as stepped-up "defensive preparations" permit. The protest specifically denounced low-level overflights on 5 June, alleged US complicity in recent exile raids against Cuban territory, and public statements by US officials inciting Cubans to "sedition and subversion."

While on the surface the note seems to reflect a shift from Havana's recent "conciliatory" public position toward the US, the Cubans evidently went to some lengths to assure that the note would not be publicized. They asked Switzerland--caretaker of US interests in Cuba--to inform Washington that, in order to prevent a "further increase in tension," Cuba would refrain from publicizing the note unless the US were to do so. Previous Cuban protest notes to the US have been loudly trumpeted in propaganda media in accordance with the regime's practice of using "Yankee imperialism" as a whipping boy to stir up domestic support.

The new tactic suggests that Castro may be attempting to learn --without yet sacrificing the present "conciliatory" atmosphere--whether the threat of military action against US recon-

naissance flights will be effective in reducing or eliminating them. The decision to undertake such a probe at this time could reflect Castro's increased exasperation over recently stepped-up exile forays against Cuba, or the growing proficiency of Cuban MIG-21 pilot trainees.

It is also possible that a new policy combining formal protests about the overflights with demonstrations of growing Cuban military capabilities against the US aircraft was worked out in Moscow during Castro's recent visit. It may represent a compromise between Khrushchev's opposition to further military provocation of the US and Castro's insistence that some action be taken to stop the reconnaissance flights, which reportedly have been particularly irksome to him. It is also conceivable that Moscow and Havana plan to accumulate a formal record of US "interference" in Cuba's internal affairs for later use in a vigorous diplomatic offensive, possibly in the UN General Assembly session next fall.

The actual extent of Soviet participation in the decision to issue the protest note is unclear, but Moscow's acquiescence in recent MIG fighter activity near US reconnaissance planes is at least implied by the consideration that Cuban MIG-21 pilots presumably still operate under some Soviet supervision.

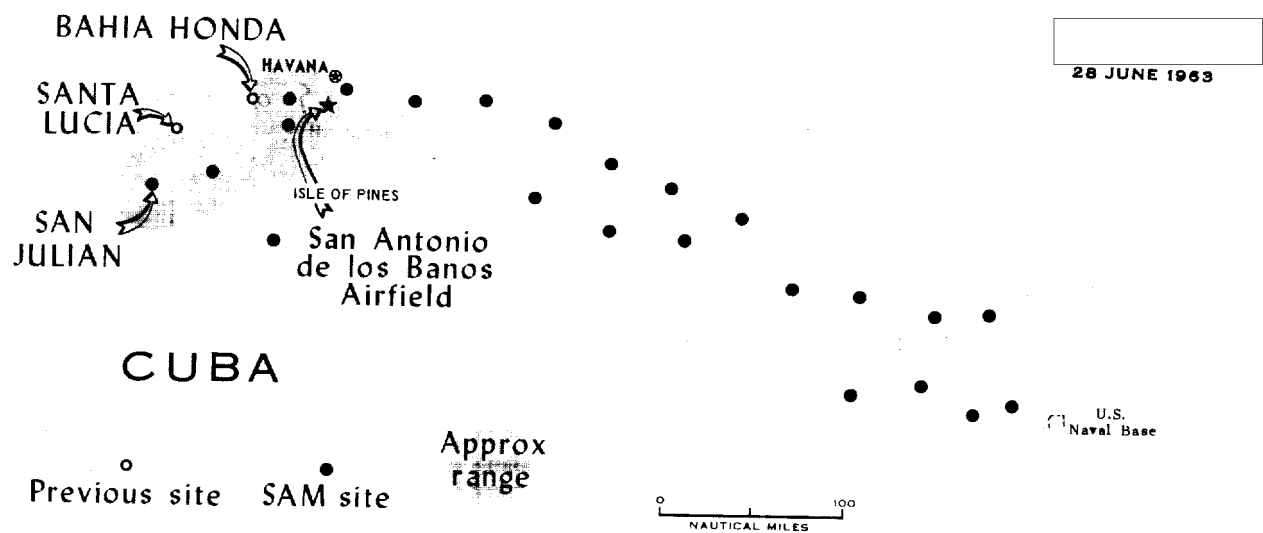
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Cuba

MILITARY ACTIVITY IN CUBA

Activity by Cuban jet fighters in the vicinity of US reconnaissance missions during the past week may be related to the Cuban threat of 24 June to shoot down reconnaissance aircraft. This activity may have been designed to discourage US reconnaissance flights by demonstrating the capabilities of the MIG-21 jet fighters in Cuba.

The MIG-21 theoretically has the ability to destroy a target at altitudes approximating those normally used by US high-altitude reconnaissance aircraft. It is unlikely, however, that Cuban pilots

have the skill to execute such a maneuver at present.

six motor torpedo boats of the P-4 class were unloaded from the Soviet cargo ship Ivan Polzunov which arrived in Havana on 18 June. The six P-4s--the first to be noted in Cuba--bring the number of Cuban motor torpedo boats to 22. The other 16, of the P-6 class, were delivered by the USSR in early

1962. The smaller and faster P-4 is well suited for Cuban coastal defense.

missile-related equipment had been moved from the Santa Lucia surface-to-air missile (SAM) site in Pinar del Rio Province to the existing San Julian SAM site about 40 miles to the southwest. It is not known whether this movement--the sixth major shift of a SAM site in Cuba--is a training exercise or a permanent change.

It is possible that the San Julian SAM site with the adjacent airfield and billeting facilities may be used to train Cubans in SAM operations.

The evacuation of the Santa Lucia SAM site, together with the relocation of the Bahia Honda site in late March, leaves approximately 75 miles of the northern coast of Pinar del Rio Province unprotected by SAM installations.

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The Communist World

PEIPING AND MOSCOW BRACE FOR BATTLE

With the Sino-Soviet confrontation in Moscow only a week away, both antagonists are making it clear that they look upon the talks as but another forum in which to continue their contest and not as negotiations which might lead to some improvement of relations. Both probably regard the meeting as a necessary ritual in the battle for leadership of the international Communist movement. It is certain to be acrimonious by the extreme and will probably be used by each party only to demonstrate that it made every effort to maintain unity and that the intransigence and erroneous views of the other caused the failure.

During the past two weeks the Chinese have been steadily increasing their pressure against the Soviet Union. On 21 June the New China News Agency (NCNA) broadcast a bitter commentary on the President's American University speech. Although Peiping's hard words were directed to Washington, they were clearly aimed at the Russians.

Peiping's attack centers on the "great conspiracy" of the US to destroy the Communist bloc by seducing Communists into revisionism and thus splitting Moscow away from Communist China. The Chinese detail their case by pointing to the President's call for re-examination by Moscow of common interests between the US and the USSR, the abandonment of revolutionary activity abroad, and encouragement of evolutionary change inside the bloc. These arguments are rejected as nothing less than a demand for capitulation.

Noting sarcastically that the "Yugoslav revisionists"--long the stand-ins for Khrushchev and the Soviet leadership in Chinese polemical documents--are "already beside

themselves with joy" at the President's speech, the Chinese imply that at least some Russians have been taken in. Peiping acidly quotes Secretary Rusk's remark that important changes in the "right direction" are already taking place in the Communist world. As further evidence that some Russian leaders are "soft on capitalism" the Chinese may later cite Moscow's decision to publish the President's speech while suppressing the Chinese central committee letter of 14 June to the Soviet party (CPSU).

The Russian ban on publication has been evaded by the Chinese Embassy in Moscow where Chinese diplomats have been circulating Russian-language texts of the letter to other diplomatic missions, to newsmen, and to Soviet citizens as well.

Peiping's mission in East Germany has been engaging in similar activity by distributing large quantities of polemical literature, including the text of the 14 June letter. The East Germans lodged an unprecedented formal protest with the Chinese Embassy on 21 June, describing the distribution of these documents as "impermissible." Peiping's diplomatic rejoinder is yet to come, but NCNA has already commented that the East German action--by inference on Soviet orders--is nothing but an attempt to attack the Chinese party and undermine bloc unity.

There have also been reports of Chinese attempts to proselytize in Rumania, where Moscow's efforts to impose faster bloc economic integration have sparked resentment. One section of Peiping's 14 June letter condemned attempts by one

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bloc member to dictate economic policy to another and was clearly meant for sympathetic ears in Eastern Europe.

The Rumanians published a long summary of the Chinese letter in their party newspaper on 20 June. Although they omitted most of the polemical material, the simple fact of publication reflects Rumania's dissatisfaction with Soviet policies and its willingness to act independently of Moscow. Among the other Communist countries only Albania and North Korea have thus far printed the controversial letter.

Peiping, working to get public statements of support from as many Communist parties as possible before the Moscow meeting, got full endorsement for its position from the North Koreans in the joint communiqué signed on 23 June by Liu Shao-chi and visiting North Korean President Choe Yongkon. To ensure another joint anti-Soviet statement, the Chinese have rolled out the red carpet for a delegation of Indonesian Communists now visiting Peiping.

The temporizing Soviet reaction to Peiping's attacks suggests that Khrushchev is undecided as to how best to cope with his relentless antagonists. Although Moscow's statements, including a decision of the central committee plenum on 21 June, have accused the Chinese of "groundless, slanderous" attacks on the Soviet party, the Soviets have refused to counter even the blatant Chinese criticism of Russian internal policies with a charge of interference in the affairs of other parties. Clearly seething with restrained anger, the Soviet leaders have contented themselves with reaffirming their intention to maintain the entire Soviet line in the forthcoming

meeting with the Chinese and with explicitly demonstrating that Khrushchev and his views have the undivided support of the Soviet party.

The Soviet party's decision to maintain its pose as the champion of bloc unity and nonpolemics is an attempt to place the responsibility for the ever-widening split on the Chinese while at the same time avoiding coming to grips with the sensitive questions they have raised. Its refusal to meet the openly provocative Chinese attacks on their merits suggests that Moscow fears that a renewal of the polemics at this time will strengthen Peiping's drive for support. Since the Chinese have made it clear that they will continue their oblique attacks anyway and have threatened in their letter to extend them to direct and personal attacks on Soviet leaders, this can be only a temporary solution. 25X1

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THE USSR'S NEW CENTRAL COMMITTEE
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BREZHNEV



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The Communist World

LAST WEEK'S SOVIET CENTRAL COMMITTEE MEETING

The Soviet party central committee last week discussed in open session the ideological malaise infecting the country, reviewed in closed session the crisis in relations with Peiping, and made two key appointments to fill the void created by the incapacitation of party secretary Kozlov.

The publicized speeches, centering on the report of party ideologist Leonid Ilichev, were in effect a damning admission of widespread disbelief in communist ideals--a situation compounded by the regime's inability to come to grips with the problem. The most overt examples, the nonconforming creative intellectuals, however, were almost bypassed by Ilichev in the cataloguing of popular ills. His attacks ranged widely--from heretics who criticize socialism as "totalitarian" and neglectful of the people's welfare, to those who show their lack of personal involvement with the goals of the regime by resorting to fraud, embezzlement, and drunkenness.

Neither Ilichev nor the speakers who followed him with an ever-growing list of deficiencies made more than perfunctory efforts to suggest means to cope with this lack of popular conviction. They seemed equally nonplused about how to control its expression--Ilichev called whisperers about the inadequacies of socialism "kulak lieutenants," evoking ominous memories of class warfare, but then hastily

admitted that the struggle must be waged against "bad ideas," not against "bad people."

The central committee resolution adopted by the plenum also failed to recommend measures either for inculcating belief in a future of communism or for enforcing control over the expression of nonconformist ideas. The leadership is apparently still caught between its reluctance to sacrifice the psychological gains achieved since Stalin's death, and the need to do something about the increasingly overt expressions of lack of support for its ideals which have followed the repudiation of terror.

The promotion of party presidium members Leonid Brezhnev and Nikolai Podgorny to the central committee secretariat is Khrushchev's answer to the staffing problem raised by Kozlov's illness and marks both men as leading candidates to succeed Khrushchev. Brezhnev and Podgorny--56 and 60 respectively--are members of Khrushchev's long-favored Ukrainian clique and have been among his most loyal supporters. If the question of loyalty was the primary consideration in their appointment, as seems to be the case, it tends to confirm

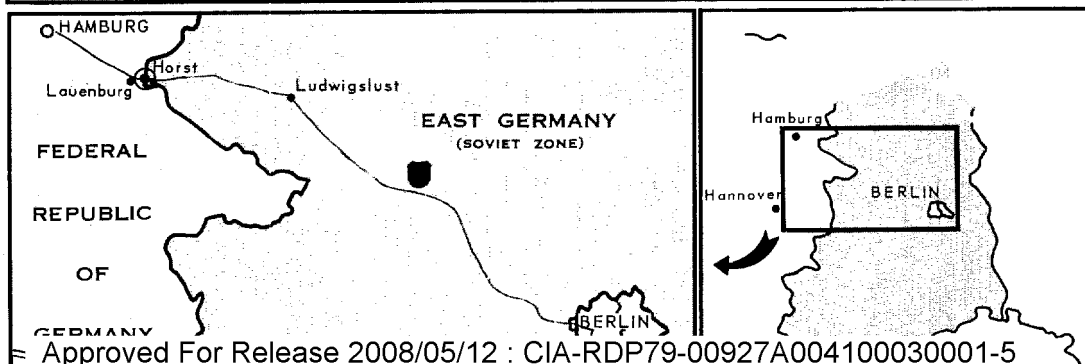
indications that Kozlov at times was actively trying to impede some of Khrushchev's policies. Whether this was the case or not, Khrushchev's strength in the secretariat, the party's executive arm, seems to be particularly strong at this time.

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EAST GERMANY'S



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The Communist World

"SECURITY ZONES" AROUND WEST BERLIN

Effective on 25 June, the eve of President Kennedy's one-day visit to West Berlin, the East Germans imposed a new cordon sanitaire around the city. The timing highlights their apprehension over the effects of the visit, but the action itself may signal renewed pressure against West German access.

Described by the regime-controlled press as in the interest of "safety at the state borders and in the interests of each individual citizen," the establishment of the new security zones followed a week-long show trial in East Berlin of five West Berlin and West German "provocateurs" accused of aiding the escape of refugees and attacking East German security installations. Throughout the trial, the defendants were accused of taking undue advantage of East Germany's "magnanimous frontier regulations" and of using "East German communications routes" for criminal purposes.

This emphasis on alleged misuse of the interzonal access routes suggests some move against West German traffic is in the offing. Highway No. 5 from Hamburg was singled out during the trial as a route favored by "provocateurs." The East Germans are chronically sensitive to the flow of West German traffic to Berlin and periodically subject it to minor delays and procedural obstruc-

tions, such as prolonged customs inspections.

Ostensibly designed to thwart "attacks" on the "frontier" around Berlin, the new security regulations bar all foreigners, civilian and military, from entering a 10-meter "dead" strip around West Berlin--except for the regularly designated sector and zonal border-crossing points. Only residents will be permitted to enter a 150-meter-wide belt along the sector border within the city and a 500-meter-wide zone along West Berlin's periphery with East Germany. It is doubtful that the regime has immediate plans for evacuating the security zones, other than the 10-meter strip, which are populated for the most part by its own stalwarts who were moved in after August 1961. For the present, the regulations serve the regime's purpose of giving the borders around Berlin the physical characteristics of an international frontier, much like the East-West German interzonal border.

The regulations also affect intercity waterways and nearby recreational facilities. Soon after the decree was published on 22 June, the East Germans began to pull the approximately 12 barges engaged in hauling interzonal trade shipments of coal briquettes, sand, and gravel out of West Berlin waters. Arrivals scheduled for 26 June were canceled--by which time there were no

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... with Rumania's Gheorghiu Dej,
8 May 1963

U THANT IN EASTERN EUROPE



... with Yugoslavia's Tito, 10 May 1963

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East German barges left in West Berlin. West German barge traffic en route to West Berlin and East German barge traffic around West Berlin appeared normal, however.

Though the new regulations impinge on the Allies' right of

free circulation within Berlin they will have little practical effect, since both the military reconnaissance patrols within East Berlin and the military liaison mission vehicles in East Germany avoid approaching the borders too closely.

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U THANT TO VISIT HUNGARY AND BULGARIA

The most significant portion of UN Secretary General Thant's trip to Eastern Europe next week will be his visit to Hungary, the first by any UN official specifically responsible for handling the Hungarian question in that organization.

Since November 1956, the UN each year has passed resolutions on Hungary. These have condemned the Soviet aggression there, the Kadar regime's repressive post-revolution policies, and its failure to cooperate with the special representatives appointed by the UN to investigate the Hungarian situation--at first, Prince Wan of Thailand, then Sir Leslie Munro of New Zealand, and now the secretary general himself.

Hungary's change of attitude this year--after steadfast refusal in the past even to receive the special representative--reflects the consolidation of the Kadar regime's control, its desire for international respectability, and its belief that the West is willing this year to drop pressure for still another UN resolution and not to challenge the credentials of Hungary's UN delegates.

Budapest will certainly do everything it can to demonstrate the normalcy of the situation in Hungary, hoping Thant will recommend at this fall's General Assembly that no further action need be taken--in effect a recommendation that the question be dropped and Hungary's full rights in the UN restored. Hungarian leaders no doubt will point to the general amnesty on 21 March of 2,500 to 3,000 political prisoners as evidence that the revolt has been laid to rest. They will also point to their call for non-Communist participation in national affairs as evidence of the "well-being" of the people.

Thant's visit to Bulgaria from 3 to 5 July, immediately following his stay in Hungary, apparently was a last-minute addition to his itinerary. It will probably be essentially a protocol visit, like the ones he made to Rumania and Yugoslavia in early May. He may raise the subject--both in Sofia and in Budapest--of their long-overdue payments for the UN's peace-keeping missions around the world. Their response is likely to be as negative as the one he encountered in Rumania last month.

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Asia-Africa

MOSCOW TURNING AGAINST BAATHIST REGIME IN IRAQ

Moscow's warning to Baghdad that Soviet aid might be terminated if Iraqi operations against the Kurds continue suggests that the USSR has decided to work for the downfall of the Baathist regime in Baghdad.

Following the resumption of operations against the Kurds in early June, Moscow accused the Baath regime of using genocide and fascist methods. Continuing its attack, Moscow has charged that the Baath has, by its persecution of the Communist Party and by its Kurdish policy, isolated itself from the Iraqi people and is heading for the same end that befell the Qasim government it ousted on 8 February.

This shift in Soviet public attitude may have been dictated at least in part by the approaching bilateral talks with the Chinese Communists and by Moscow's vulnerability to charges that Soviet weapons are being used to suppress a "national liberation movement." A longer term Soviet calculation is that a prolonged and indecisive conflict with the Kurds will weaken the present government and create new opportunities for coup attempts.

There is some indication that military deliveries to

Iraq may have been suspended. A ship carrying military items including six MIG-21 jet fighters, apparently bound for Basra, was halted in the Red Sea and has since returned to the Black Sea.

Prior to the renewed fighting against the Kurds Moscow sought to maintain some measure of influence in Iraq by adjusting its economic and military aid programs there to the desires of the new regime, seeking all the time to maintain as much of the programs negotiated under Qasim as possible. Moreover, Moscow has not objected to Iraqi cancellations of certain economic projects

Baghdad had criticized Moscow for its support of the Kurds, labeling it an interference in Iraqi internal affairs. Nasir, despite his antipathy toward the Baathist regime in Baghdad, has agreed to give token assistance to the Iraqi Air Force.

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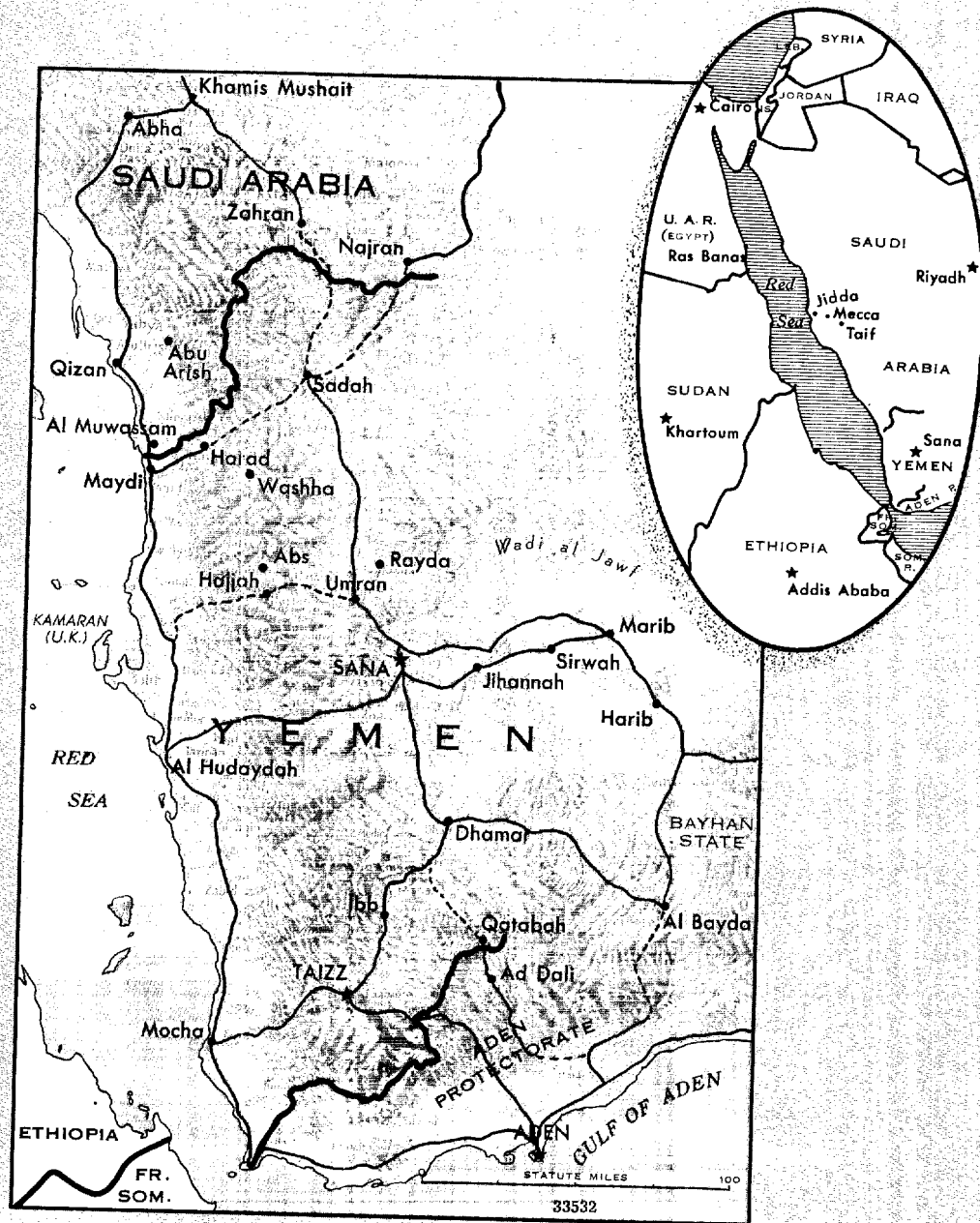
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Asia-Africa

FIGHTING GOES ON IN YEMEN

The Egyptians appear to be concerned over a recent resurgence of royalist activity in Yemen. They have not been able to make any significant headway in the area north and east of Sana, and the royalist tribes continue to harass the lines of communication into the capital. There have been reports that a number of tribes in the Sana area have gone over to the royalists. Egyptian Field Marshal Amer arrived in Sana on 24 June and will probably assume personal direction of the military campaign.

The Saudis have announced that Egyptian planes on 23 June bombed a Saudi village some 50 miles north of the border and have asked the UN observation mission to investigate.

General Von Horn and the advance party of the UN observer

mission are established in Sana and Hudaydah. They have made brief excursions to the frontier area and to the Saudi border towns but have not yet posted observers there.

There is still no evidence that Cairo is preparing to reduce its forces in Yemen, and, under present circumstances, any substantial reduction seems unlikely.

Meanwhile the situation along the Aden-Yemen border remains tense. The Yemenis have not indicated whether they will release the 18 British soldiers who strayed across the border and were taken prisoner on 23 June. The Yemenis may attempt to use the incident to support their propaganda charges of British aggression against them.

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Asia-Africa

MILITARY ACTIVITY IN LAOS

A two-week lull in activity on the Plaine des Jarres was broken on 22 June by the resumption of small-scale Pathet Lao attacks against Kong Le positions. No major escalation of the fighting appears imminent, however.

Kong Le's morale is reported low, and discipline among his neutralist troops is described as poor. Friction between them and the Lao Army reinforcements on the plain, now numbering five battalions, appears to have reduced the overall effectiveness of the defending forces.

In south-central Laos the neutralists' situation remains serious. They have withdrawn to positions north of Nhommarath on Route 8 and westward toward Lao Army positions protecting Thakhek.

In the Attapeu area in southeastern Laos the Communists show no sign at present of renewing the attack, although they retain the initiative. The opposing forces appear fairly evenly matched.

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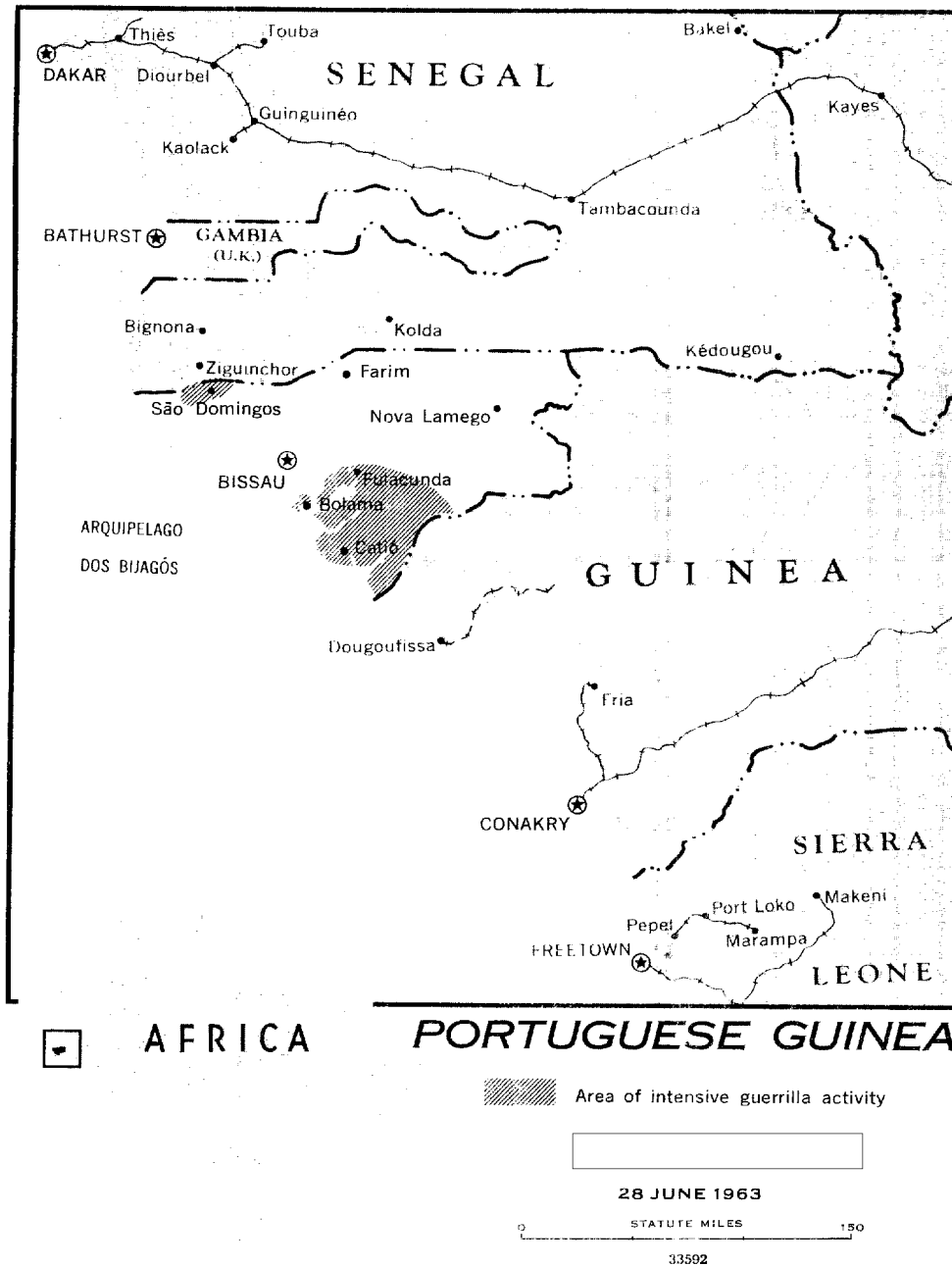
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Asia-Africa

GUERRILLAS GAINING IN PORTUGUESE GUINEA

In recent months, nationalist elements in Portuguese Guinea have accelerated their two-year-old guerrilla campaign. Portuguese officials are not panicky, but many of them are becoming more doubtful that the rebels can be contained.

Nationalists now seem to have virtual control over much of the territory's southern sector. Portuguese troops operating there are unable to protect the native population and foreign traders against the nationalists and at night are forced to withdraw entirely to strong points in the larger towns. Reports received over the past several months indicate that the guerrilla bands have become larger, better armed, and more daring, attacking Portuguese convoys and barracks with growing frequency.

The African Independence Party for Portuguese Guinea and Cape Verde (PAIGC), which has long received support from radical African states and the Communist bloc, is believed to be the main organization behind this rebel activity. Led by Amilcar Cabral, a well-educated, leftist-oriented mulatto, the PAIGC appears to be the only one of the numerous Portuguese Guinean nationalist groups to have a significant organization inside the territory. Its principal external base is in neighboring independent Guinea, but since a rift developed between

Cabral and Guinean President Touré last year, the party has also operated in Senegal.

The only other nationalist group conducting guerrilla operations is the Movement for the Liberation of Guinea (MLG), which derives its support mainly from the restless Manjac tribe. Since mid-1961 MLG bands have sporadically raided northwestern Portuguese Guinea from bases in Senegal. The MLG is associated with four other anti-Cabral emigré organizations in a loose-knit grouping called the Front for the Struggle for the National Independence of Portuguese Guinea. In recent months Touré's regime has allowed the Front wider latitude to disseminate propaganda in Guinea; its representatives claim that Guinea is giving other aid as well.

The nationalists appear to be strong enough to maintain their hold over the south against the approximately 5,000 security forces Portugal has in the territory. Significant rebel inroads in the eastern or northern sectors, where the Portuguese are aided by traditionally cooperative tribes, seem unlikely soon. The Portuguese position would probably deteriorate quickly, however, if Senegal's moderate leaders, under mounting African pressure for action against Portugal, begin to encourage the rebel elements based in Senegal more actively.

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Europe

ANOTHER DE GAULLE - ADENAUER MEETING

De Gaulle's visit to Bonn on 4-6 July will be his first meeting with the German chancellor since the Franco-German treaty was ratified and probably the last before Adenauer's retirement this fall. Both leaders probably attach particular significance to this visit, which formally initiates the semi-annual heads-of-state meetings called for in the treaty. With an eye to the future, De Gaulle may also wish to draw Chancellor-designate Erhard into the discussions.

The first order of business is expected to be an attempt to work out compromises on a common EEC agricultural policy and the question of the UK's relationship to the community. French Foreign Minister Couve de Murville has said there is a real possibility for compromise on farm policy, but both nations have powerful farm lobbies which will make retreat from national positions difficult. Germany, moreover, has linked its willingness to go ahead with a common agricultural policy to the achievement of a satisfactory EEC arrangement with the UK. Erhard and Couve bitterly debated the UK-EEC issue last month at the EEC Council of Ministers meeting, which achieved agreement only to postpone further consideration of the matter until after

the meeting between De Gaulle and Adenauer.

Speculation as to what the two top leaders might discuss has also highlighted the possibility of a new joint initiative to strengthen European political ties. [REDACTED]

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[REDACTED] the two may offer to modify the Franco-German treaty in such a way as to permit the other four EEC countries to become signatories. Such a move has been hinted at in French parliamentary debate, and would seem to be a fitting capstone to Adenauer's career. Consideration may also be given to reform of the existing institutions of the Six.

Other likely topics for discussion are suggested by the bilateral ministerial-level meetings which have preceded the De Gaulle visit. The defense ministers met in Germany on 18-21 June to discuss coordination of defense concepts and attempt to settle problems of joint armament research, development, and production. French officials concerned with cultural affairs and the secretary of state for Youth and Sports have also visited Germany recently. [REDACTED]

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Europe

PROBLEMS IN NON-ALLIED AIR SERVICE TO BERLIN

West Berlin Mayor Brandt and the Senat, eager to increase the possibilities for travel to and from their city, are discounting the dangers to Allied air access inherent in their advocacy of non-Allied commercial air service to Berlin.

The problem has its origins in the negotiations conducted in May by Austrian Airlines (AUA) with East German authorities to set up a reciprocal Vienna-Berlin service. This would require AUA to get permission to overfly East German territory outside the Allied air corridors. AUA plans, however, have envisaged the use of Tempelhof airport in West Berlin.

The question has now become acute because the Austrians, apparently optimistic that US permission to use Tempelhof would be forthcoming, gave permission, valid until 31 July, to the East German Interflug airline to begin round-trip week-end flights to Vienna.

The first Interflug trip was made on 15 June, and for the occasion the East German authorities unilaterally opened a new crossing point on the zonal border at Waltersdorfer Chaussee exclusively for traffic between West Berlin and East Germany's Schoenefeld airport.

The US and Bonn consider that the East Germans are not

entitled to take such action unilaterally. They believe the West should close the crossing point promptly, at least until it is made available for general access to Berlin. What position Paris and London will take is not yet clear.

For their part Brandt and the Senat are disposed to countenance the East German action as the quid pro quo for still other new air services to Berlin--overflying East Germany--perhaps by the Swiss and Scandinavian airlines. This is in line with Brandt's desire to increase travel facilities to Berlin as one way of breaking the city out of its mold as an "occupation island." Consequently, he has not yet been fully persuaded of the US position that such non-Allied air services, by recognizing East Germany's sovereignty over its air space, would endanger free Allied air access to Berlin.

A stiff protest from Bonn has caused Austria to agree to re-examine its plans. Vienna has indicated that if AUA does not get permission to use Tempelhof, Austria will let the Interflug authorization lapse at the end of July. While the Austrians could decide to use Schoenefeld airport in any case, thus obviating the need for any Western approval, it is doubtful that they would proceed over vigorous West German or US objections.

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Europe

ITALIAN POLITICAL SITUATION

The swearing in on 22 June of an all - Christian Democratic cabinet headed by Giovanni Leone leaves Italy still without a viable government.

Leone's next hurdle is to secure a parliamentary vote of confidence for his caretaker government. In the Italian system, he is supposed to do this within ten days of assuming office, but the rule has not always been strictly observed.

Leone's present strategy to obtain parliamentary endorsement is based on hopes that the parties of the center-left will abstain in the balloting. The Republicans and Social Democrats have agreed to do so if Pietro Nenni's Socialists will go along.

The Socialists, perhaps clinging to the hope that President Segni will give former Premier Amintore Fanfani another chance, have not yet made up their minds. Their indirect support, however, is likely to be forthcoming if the alternative to Leone is another general election which nobody

except the Communists and some Christian Democratic leaders want at this time.

Meanwhile, the Communists seem to be building toward an all-out effort to exploit the confused political situation. They are already holding a large number of anti-Leone rallies in northern and central Italy, and making efforts to include rank-and-file Socialists in their demonstrations in order to discredit the Socialist Party and thus prevent a resumption of its alliance with the Christian Democrats.

The embassy believes that the ultimate Communist objective is a repetition of the 1960 riots which resulted in the fall of the neo-Fascist - supported Tambroni government. Such riots would be especially likely if the Christian Democrats should turn again to the neo-Fascists for parliamentary support.

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Europe

GREEK POLITICS REMAIN CONFUSED

The Greek political scene remains confused, despite the formation of a new cabinet under Premier Pipinelis.

Opposition Center Union leader Papandreou, who had indicated that he would not oppose a cabinet headed by Pipinelis, now has reversed himself and further threatens to boycott any elections held under the new government. The small rightist Progressive Party and the crypto-communist United Democratic Left also oppose the new cabinet, but Pipinelis retains the support of former premier Karamanlis' National Radical Union, which has a majority in the present parliament.

An election boycott by the opposition parties would intensify political animosities and would leave a future government vulnerable to charges that it held power "illegally." Similar charges against Karamanlis have embittered the political atmosphere for the past 18 months. Such a boycott probably would also promote an alliance between the center opposition and the leftists. Both parties abstained in the vote of confidence on 26 June.

In an effort to counter Papandreou's criticism, Pipinelis has already reshuffled his cabinet, replacing three ministers

who were closely connected with Karamanlis' party, and has said he will not set a date for new elections until after the royal family returns from its visit to the UK--which begins on 9 July. Pipinelis has also intimated that the elections might be held under a simple proportional electoral system, which probably would improve the opposition parties' chances, rather than under the weighted proportional system used in 1961 or the majority system provided for by the present law.

These gestures have not moved Papandreou, but the Greek press has speculated that Sofocles Venizelos--the second most important figure in Papandreou's party--may offer limited support to Pipinelis. This would further splinter the Greek party structure, since Venizelos' desertion could lead to dissolution of the Center Union, an alliance of smaller parties formed in 1961 and held together by common opposition to Karamanlis. However, Venizelos has thus far maintained party unity.

Pipinelis' hedge regarding new elections may also be a result of pressure from the palace. The royal family--especially Queen Frederika--would prefer to see elections postponed until much of the present popular support for Karamanlis has been dissipated.

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Western Hemisphere

NEAR COLLAPSE IN BRITISH GUIANA

With outbreaks of violence more frequent every day, British Guiana appears headed toward a complete breakdown of law and order. Although London seems to be searching for a way to restore peace and settle the 70-day-old general strike, it is still thinking in terms of measures short of suspending the constitution and resuming direct control.

The various Guianese factions are more divided than ever. Premier Jagan and the union leaders have been unable to agree on terms for returning to work. At the same time, factionalism among Jagan's opponents is increasingly apparent. The Trades Union Congress, discouraged and confronted with considerable back-to-work sentiment among its rank and file, cannot decide what to do next. Meanwhile, Forbes Burnham, leader of the People's National Congress, is maneuvering to set himself up as leader of all anti-Jagan forces, but Peter D'Aguiar, head of the conservative United Force, now is reluctant to continue cooperating with Burnham.

Worst of all perhaps is the current wave of bombings and the growing number of incidents between East Indians and Negroes. This has so intensified racial animosities that hostility between the two groups is not likely to subside any time soon.

Jagan, in the meantime, has increased the colony's economic involvement with Cuba and the bloc. The recent delivery of Soviet food and fuel in two Cuban ships and its distribution under government auspices has increased both the government's direct control of the economy and reliance on bloc supplies.

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The traffic has not been entirely one way: three Guianese traveled to Cuba on the return voyage of one of the Cuban ships for training in air traffic control.

If Jagan survives the strike, his government could tighten its grip on the country's economic system. He presumably would also try to maintain his new trade ties with the Communist world.

Interest in British Guiana is mounting at the United Nations. The Decolonization Committee, in which there is growing pro-Jagan sentiment, has undertaken the drafting of a resolution that may recommend that a special UN mission be sent to investigate.

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